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MAY - 7 2003

Marlene H. Dortch, Esquire
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Notification of Ex Parte Communication
MB Docket Nos. 02-277, 01-235, 96-197, 01-317, and 00-244

Dear Ms. Dortch:

This is to advise you, in accordance with Section 1.1206 of the FCC's rules, that on May 5, 2003, George Mahoney, General Counsel and Secretary of Media General, Inc., and I met with Commissioner Kevin J. Martin and his media legal advisor, Catherine C. Bohigian, to discuss the FCC's proposed use of a diversity "index"; Media General, Inc.'s concern over any FCC modification of the newspaper/broadcast cross-ownership rule that would provide relief only in large markets; the public interest benefits of convergence that would be lost in smaller markets if the FCC were to take such an approach; the legal infirmities involved in any action short of complete elimination of the newspaper/broadcast cross-ownership rule; and Media General's letter of April 22, 2003, to Commissioner Kathleen Q. Abernathy and the studies included therein. The attached materials were submitted during the meeting.

As required by section 1.1206(b), two copies of this letter are being submitted for each of the above-referenced dockets.

Very truly yours,


M. Anne Swanson

Enclosures

cc w/o encl. (by telecopy):

The Honorable Kevin J. Martin
Catherine C. Bohigian, Esquire

MEDIA GENERAL

1. *Tampa News Increases.* Over the last decade, WFLA-TV has been continually expanding its news line-up and has made the following increases in local news and programming:

August 1992:	Debut of "NewsWatch 8 Weekend Morning Edition" (Sat. & Sun., 9 am – 9:30 am)
	Debut of "NewsWatch 8 Weekend Edition @ Noon" (Sat. & Sun., one-half hour)
September 1994:	Debut of "NewsWatch 8 Sunrise" (M-F, 5:30 am – 6 am)
October 1997:	Expansion of Saturday's "NewsWatch 8 Weekend Edition @ Noon" (Sat., noon – 1 pm)
May 1998:	Expansion of Sunday's "NewsWatch 8 Weekend Edition" (at various times on Sundays over the next four months: Sun. 9 am – 10 am, then noon – 1 pm, then 9 am – 10 am)
June 1998:	Debut of "NewsWatch 8 MIDDAY" (M-F, 11 am – 11:30 am)
September 1999:	Debut of "NewsChannel 8 Today" (M-F, 5 am – 5:30 am)
January 2001:	Expansion of "NewsWatch 8 MIDDAY" to two half-hours (M-F, 11 am – noon)
August 2001:	Debut of locally-produced "Daytime" in lieu of "NewsWatch 8 MIDDAY" (M-F, 11 am – noon) ("Daytime" is local variant of "Today" with some paid programming inserts)
June 2002:	Relaunch of "NewsWatch 8 MIDDAY" (M-F, 11 am – noon) and move of "Daytime" to M-F, 10 am – 11 am

2. *Tampa Personnel Additions.* The competitive benefits and successes that flow from convergence have allowed WFLA-TV to expand its news operations and increase the number of full-time professionals, even over the last year despite the very serious advertising recession and general economic downturn.
3. *News and Programming Increases in Other Markets.* Media General's other five convergence markets present similar experiences.

WSLS(TV), Roanoke, VA

- ▶ January 1997 -- Weekday early morning newscast expanded by 30 minutes from 6:00 a.m. - 7:00 a.m. to 5:30 a.m. to 7:00 a.m.
- ▶ Added local hunting and fishing show.
- ▶ Added numerous local specials covering the Virginia and NASCAR races in Martinsville, Virginia; the opening ceremonies of a nearby national D-Day memorial; live Town Hall meetings following the “9/11” disaster; and local and statewide political debates.

WJHL(TV), Tri-Cities, TN/VA

- ▶ Station has added a new 30-minute weekday newscast at 5:00 p.m.
- ▶ Added locally produced sports specials.
- ▶ Added periodic hour-long “Media Watch” and “Education Week” shows.

WBTW(TV), Florence, SC

- ▶ Convergence has allowed increased coverage of political campaigns, debates, and elections.
- ▶ April 2002, the combined outlets sponsored a debate among gubernatorial candidates in the Republican primary, the first debate of the campaign and the first in which all seven party candidates participated.
- ▶ October 2002, the combined outlets sponsored a debate between Republican and Democratic gubernatorial candidates.
- ▶ Both interests also recently staged “Our Town Hartsville,” a community meeting that was covered in both media.

WRBL(TV), Columbus, GA

- ▶ Added new 30-minute weekday newscast at 5:00 p.m.
- ▶ Scheduled to add another half-hour newscast at 5:30 p.m. later this fall.
- ▶ Developing local public affairs show, scheduled to debut this fall.

WMBB(TV), Panama City, FL

- ▶ Added early evening newscast on Sundays from 5:00 p.m. to 5:30 p.m.

4. *Staff Additions in Other Markets.* Convergence has created more opportunities for staff, particularly news personnel.

WSLS(TV), Roanoke, VA

- ▶ Station's overall staff has grown by two individuals.
- ▶ News department staff has increased by nine.

WJHL(TV), Tri-Cities, TN/VA

- ▶ Full-time staff has increased from 74 to 88 employees.

WBTW(TV), Florence, SC

- ▶ Overall employee count has increased by two.

WRBL(TV), Columbus, GA

- ▶ Has added one additional staff person in newsroom and will add another two in September 2003 with debut of new 5:30 p.m. newscast.

WMBB(TV), Panama City, FL

- ▶ News staff has increased by three, but overall station has experienced decrease of three employees, so staff levels have remained constant with convergence, despite overall economic downturn.

**STUDIES/FACTUAL EVIDENCE IN
OMNIBUS MEDIA OWNERSHIP DOCKET
THAT SUPPORT COMPLETE ELIMINATION OF
THE NEWSPAPER/BROADCAST CROSS-OWNERSHIP RULE**

I. "Diversity"/Localism

A. Specifically Directed to Newspaper/Broadcast Cross-Ownership

1. *FCC Staff Study of 1973 Television Station Annual Programming Report, Second Report and Order*, 50 FCC 2d at 1078 n.26 and Appendix C.
2. *Non-Entertainment Programming Study*, Appendix A to Comments of A.H. Belo Corporation in MM Docket No. 98-35, filed Jul. 21, 1998.
3. D. Pritchard, *A Tale of Three Cities: "Diverse and Antagonistic" Information in Situations of Newspaper/Broadcast Cross-Ownership*, 54 FED. COM. L.J. 31 (Dec. 2001).
4. S.R. Lichter, Ph.D., *Review of the Increases in Non-Entertainment Programming Provided in Markets with Newspaper-Owned Non-Entertainment Programming Provided in Markets with Newspaper-Owned Television Stations*, Appendix 5 to Media General Comments in MM Docket Nos. 01-235 and 96-197, filed Dec. 3, 2002.
5. J.K. Gentry, Ph.D., *The Public Benefits Achievable from Eliminating the FCC's Newspaper/Broadcast Cross-Ownership Rule*, Dec. 2001, Appendix 4 to Media General Comments in MM Docket Nos. 01-235 and 96-197, filed Dec. 3, 2001.
6. Media General's review of broadcast, print, cable, wireless cable, DBS, and Internet sites available in each of its convergence markets. Appendices 9-14 to Media General Comments in MM Docket Nos. 01-235 and 96-197, filed Dec. 3, 2002, and Appendices 9-14 to Media General Comments in MB Docket Nos. 02-277, *et al.*, filed Jan. 2, 2003.
7. D. Pritchard, *Viewpoint Diversity in Cross-Owned Newspapers and Television Stations: A Study of News Coverage of the 2000 Presidential Campaign*, FCC Media Ownership Working Group, 2002-2, Sept. 2002.
8. T.C. Spavins, *et al.*, *The Measurement of Local Television News and Public Affairs*, undated (FCC-commissioned study released Oct. 1, 2002).
9. J.K. Gentry, Ph.D., *Statement*, Appendix 3 to Media General Comments in MB Docket Nos. 02-277, *et al.*, filed Jan. 2, 2003.
10. *Selected Press Accounts of Cutbacks in Local Television Newscasts: November 1998 through October 2002*, Attachment B to Appendix 3 to Media General Comments in MB Docket Nos. 02-277, *et al.*, filed Jan. 2, 2003.

11. Statement of Robert W. Decherd, Chairman of the Board, President and Chief Executive Officer, Belo Corporation, attached to Comments of A.H. Belo Corporation in MB Docket Nos. 02-277, *et al.*, filed Jan. 2, 2003.
12. Statement of J. Stewart Bryan, III, Chairman of the Board and Chief Executive Officer, Media General, Inc., Appendix C to Media General Reply Comments in MB Docket Nos. 02-277, *et al.*, filed Feb. 3, 2003.
13. Media General's evidence of increased provision of local news and information at each of its co-owned convergence properties and evidence of increased staffing at all but one of its convergence TV stations. Employment held constant at exception. Section II.A. in Media General Reply Comments in MB Docket Nos. 02-277, *et al.*, filed Jan. 2, 2003.
14. Media General's letters from non-profit community groups, noting convergence has helped them spread their messages more effectively. Appendix A to Media General Comments in MB Docket Nos. 02-277, *et al.*, filed Feb. 3, 2003.
15. Columbia University School of Journalism, Project for Excellence in Journalism, *Does Ownership Matter in Local Television News: A Five-Year Study of Ownership and Quality*, Feb. 17, 2003, *ex parte* submission in MB Docket Nos. 02-277, *et al.*, filed Feb 26, 2003.
16. J. Hausman, *Statement of Jerry A. Hausman*, undated, Exhibit 2 to Media General Letter to Commissioner Kathleen Q. Abernathy, Apr. 22, 2003.
17. J. Rosse, *Critique of "Consumer Substitution Among the Media,"* Apr. 16, 2003, Exhibit 1 to Media General Letter to Commissioner Kathleen Q. Abernathy, Apr. 22, 2003.
18. Discussion of Nielsen Consumer Survey in Media General Letter to Commissioner Kathleen Q. Abernathy, April 22, 2003.

B. Related and Supportive

1. S.T. Berry and J. Waldfogel, *Do Mergers Increase Product Variety? Evidence from Radio Broadcasting*, 66 THE QUARTERLY J. OF ECONOMICS 1009 (Aug. 2001).
2. *Selected Media "Voices" by Designated Market Area*, Exhibit 1 to Comments of Hearst-Argyle Television, Inc. in MM Docket Nos. 01-235 and 96-196, filed Dec. 3, 2001.
3. Media General's evidence of locally originated cable programming available in its convergence markets. Section II.B. and Appendix B in Media General Reply Comments in MB Docket Nos. 02-277, *et al.*, filed Jan. 2, 2003.
4. D. Pritchard, *The Expansion of Diversity: A Longitudinal Study of Local Media Outlets in Five American Communities*, Appendix 5 to Media General Comments in MB Docket Nos. 02-277, *et al.*, filed Jan. 2, 2003.

II. Competition

- A. Economists Incorporated, *Structural and Behavioral Analysis of the Newspaper-Broadcast Cross-Ownership Rule*, July 1998, Appendix B to Comments of Newspaper Ass'n of America in MM Docket No. 98-35, filed Jul. 21, 1998.
- B. S.M. Besen and D.P. O'Brien, *An Economic Analysis of the Efficiency Benefits from Newspaper-Broadcast Station Cross-Ownership*, July 21, 1998, Exhibit B to Comments of The Chronicle Publishing Co., Inc. in MM Docket No. 98-35, filed Jul. 21, 1998. Also submitted as Exhibit B to Comments of Gannett Co., Inc. in MM Docket No. 98-35, filed Jul. 21, 1998.
- C. R.D. Blair, *An Economic Analysis of the Cross-Ownership of WBZL and the Sun Sentinel, July 1, 1998*, attachment to Comments of Tribune Company in MM Docket No. 98-35, filed Jul. 21, 1998.
- D. Economists Incorporated, *Horizontal and Vertical Structural Issues and the Newspaper-Broadcast Cross-Ownership Ban*, Appendix IV to Comments of Newspaper Ass'n of America in MM Docket Nos. 01-235 and 96-197, filed Dec. 3, 2001.
- E. Economists Incorporated, *Behavioral Analysis of Newspaper-Broadcast Cross-Ownership Rules in Medium and Small Markets*, Appendix A to Media General Reply Comments in MM Docket Nos. 01-235 and 96-197, filed Feb. 15, 2002.
- F. C.A. Bush, *On the Substitutability of Local Newspaper, Radio and Television Advertising in Local Business Sales*, Sept. 2002, FCC Media Bureau Staff Research Paper, 2002-10.

III. Internet-Related

- A. U.S. Department of Commerce, Economics and Statistics Administration, National Telecommunications and Information Administration, *A Nation Online: How Americans Are Expanding Their Use of the Internet*, Feb. 2002, available at <http://www.ntia.doc.gov/ntiahome/dn/html/anationonline2.htm> (last visited May 1, 2003).
- B. J.B. Harrigan, *Getting Serious Online*, Pew Internet & American Life Project, at 3, 15 (March 3, 2002), available at <http://www.pewinternet.org/reports/toc.asp?Report=55> (last visited Apr. 30, 2003).
- C. Pew Research Center for the People and the Press, *Internet Sapping Broadcast News Audience*, available at <http://people-press.org/reports/display.php3?ReportID=36> (last visited Apr. 30, 2003).
- D. *Surveying the Digital Future -- Year Three*, UCLA Center for Communications Policy, Feb. 2003, available at <http://www.ccp.ucla.edu/pages/internet-report.asp> (last visited May 1, 2003).

ATTACHMENT 1**SELECTED PRESS ACCOUNTS OF CURTAILMENTS IN LOCAL TELEVISION NEWSCASTS
NOVEMBER 1998 THROUGH JANUARY 2003**

Market	Station	Decision	Source
Anchorage, AK	KTVA (CBS)	Announced in April 2000 that it would eliminate noon newscasts.	11
Binghamton, NY	WIVT (ABC)	Cancelled locally produced morning news show in June 2002, and replaced it with regionally produced morning news show.	34
Boston, MA	WSBK (UPN)	Cancelled early evening newscasts in 1998, leaving only a 10 p.m. newscast, which is rebroadcast from WBZ-TV (CBS).	2
Boston, MA	WMUR-TV (ABC)	Cancelled 9 a.m. and 4 p.m. newscasts in May 2001.	19
Charlotte, NC	WBTV (CBS)	Cancelled 6:30 p.m. newscast in September 2001.	22
Chattanooga, TN	WDSI (Fox)	Cancelled morning and noon newscasts and added 4 p.m. newscast in January 2001.	15
Chattanooga, TN	WTVC-TV (ABC)	Cancelled weekend morning newscasts in February 2001.	16
Chicago, IL	WBBM-TV (CBS)	Cancelled one hour 6 p.m. newscast in early 1999. Replaced it with a half hour 4:30 p.m. newscast, which thereafter was cancelled in July 2000. Cancelled Saturday morning newscasts in December 1998.	3, 8
Cleveland, OH	WUAB (IND)	Cancelled 11:30 a.m. newscast in January 1999.	4
Cleveland, OH	WEWS (ABC)	Cancelled 5 a.m. newscast in June 1999.	6
Detroit, MI	WKBD (UPN)	Cancelled local 10 p.m. newscast in November 2002 and replaced with one produced by other station in market.	35
Detroit, MI	WWJ-TV (CBS)	Cancelled 11 p.m. half hour local newscast in November 2002.	35
Duluth, MN	KDLH (CBS)	Cancelled noon newscast in November 1998.	1
Evansville, IN	WEVV (CBS)	Cancelled local newscasts in late 2001	29
Green Bay, WI	WLUK-TV (Fox)	Cancelled 10 p.m. newscast in March 2001.	17
Greensboro, NC	WXLV-TV	Cancelled morning and weekend newscasts in late 2000.	13

Market	Station	Decision	Source
Greensboro/ Winston/Salem, NC	WXLV-TV (ABC)	Cancelled local newscasts in January 2002	27
Hattiesburg, MS	WHLT-TV (CBS)	Cancelled all newscasts and eliminated news department in May 2001.	18
Jacksonville, FL	WJXX (ABC)	Cancelled all locally produced newscasts in January 2000; now re-broadcasts newscasts from WTLV-TV (NBC).	10
Kingsport, TN	WKPT (ABC)	Announced in February 2002 that it would cancel locally produced weekday newscasts and brief updates and replace them with re-broadcast newscasts from WJHL-TV (CBS), Johnson City, TN.	28
Los Angeles, CA	KCBS (CBS)	Cancelled 4 p.m. newscast in 2001.	21
Los Angeles, CA	KCOP (UPN)	Announced in July 1999 that it would cancel 7:30 p.m. newscast.	7
Marquette, MI	WBUP WBKP (ABC)	Cancelled local newscast in March 2002	31
Miami, FL	WAMI-TV (IND)	Cancelled only newscast and eliminated news department in December 2000.	14
Miami, FL	WTVJ (NBC)	In February 2002, cancelled midmorning newscast and added 4:00 p.m. newscast, which was subsequently cancelled.	26
Minneapolis, MN	KSTC-TV (IND)	Cancelled both weekday morning and 6:30 p.m. newscasts in October 2001.	23
Minneapolis, MN	KSTP (ABC)	Cancelled morning weekend newscasts in October 2001.	23
New York, NY	WCBS-TV	Cancelled 4:00 p.m. newscast in January 2002	25
Odessa/ Midland, TX	KOSA-TV (CBS)	Cancelled morning newscasts in November 1998.	1
Orlando, FL	WESH (NBC)	Eliminated 4:30 p.m. newscast in April 2000.	9
Raleigh/ Durham, NC	WKFT (IND)	Cancelled hourly local news briefs in December 2002.	32
Sacramento, CA	KMAX-TV (UPN)	Cancelled evening newscast in 1998.	2
San Antonio, TX	KVDA-TV (Telemundo)	Cancelled morning and 5 p.m. newscasts in July 2001.	20
Seattle, WA	KSTW(TV) (UPN)	Cancelled all newscasts and eliminated news department in December 1998.	2
St. Louis, MO	KDNL-TV (ABC)	Cancelled all newscasts and eliminated news department in September 2001.	24
Tallahassee, FL	WTWC (NBC)	Cancelled all newscasts and eliminated news department in November 2000.	24

Market	Station	Decision	Source
Tampa, FL	WTOG (UPN)	Cancelled 10 p.m. newscast and eliminated news department in 1998.	5
Topeka, KS	KTKA-TV (ABC)	Cancelled all four local newscasts in April 2002.	33
Twin Falls, ID	KMVT (CBS)	Announced in February 2002 that it would cancel 5:00 p.m. newscast	30
Utica, NY	WUTR(TV) (ABC)	Cancelled locally produced morning news show in June 2002, and replaced it with regionally produced morning news show.	34
Washington, DC	WUSA (CBS)	Cancelled 90 minutes of evening newscasts, added 9 a.m. newscast, in September 2000.	12
Watertown, NY	WWTI(TV) (IND)	Cancelled locally produced morning news show in June 2002, and replaced it with regionally produced morning news show.	34

KEY TO SOURCES

Source	News Article
1	"Benedek Slashes Costs, Staffs," <i>Electronic Media</i> , Nov. 16, 1998 at 1; interview with station news staff, February 13, 2003.
2	Monica Collins, "Clickers of Sweeps and Cable Rates," <i>The Boston Herald</i> , Nov. 15, 1998 at 5.
3	Dan Trigoboff, "A Day of Rest. WGN Cancels Saturday Morning Newscast," <i>Broadcasting & Cable</i> , Dec. 21, 1998 at 28.
4	Roger Brown, "Poor Ratings Sink Channel 43 Midday Newscast," <i>The Plain Dealer</i> , Dec. 22, 1998 at 4E.
5	Eric Deggans, "WTTA Might Add Late-Night News," <i>St. Petersburg Times</i> , Mar. 18, 1999 at 2B.
6	Tom Feran, "Wenz Hires Sommers To Do Midday Show," <i>The Plain Dealer</i> , June 9, 1999 at 2E.
7	Cynthia Littleton, "KCOP Dropping Newscast," <i>Daily Variety</i> , July 12, 1999 at 5.
8	Phil Rosenthal, "More Bad News for Ch. 2," <i>Chicago Sun-Times</i> , Aug. 16, 2000, at 57.
9	"Chatter," <i>The Stuart News/Port St. Lucie News</i> , Apr. 16, 2000 at P6.
10	Eileen Davis Hudson, "Market Profile," <i>Mediaweek</i> , May 15, 2000; interview with station news staff, February 13, 2003.
11	"Inside Alaska Business," <i>Anchorage Daily News</i> , Apr. 20, 2000 at 1E.
12	"Local Media," <i>Mediaweek</i> , Oct. 2, 2000.
13	Jeremy Murphy, "Local Media—Los Angeles Radio Stations: ESPN Radio Picks Up Biggest Affiliate," <i>Mediaweek</i> , Nov. 27, 2000.
14	Dan Trigoboff, "Station Break," <i>Broadcasting & Cable</i> , Dec. 11, 2000 at 33.
15	Barry Courter, "Fox 61 Moves To Be First With News," <i>Chattanooga Times/Chattanooga Free Press</i> , Jan. 21, 2001 at B1.
16	Barry Courter, "Public Gives Locher A Boost," <i>Chattanooga Times/Chattanooga Free Press</i> , Feb. 9, 2001 at H5.
17	Tim Cuprisin, "Green Bay Fox Station Cancels 10 p.m. News," <i>Milwaukee Journal Sentinel</i> , Mar. 8, 2001 at 8B.
18	Kathryn S. Wenner, "News Blackout," <i>American Journalism Review</i> , May 2001, at 12.
19	Denis Paiste, "'Chronicle' Coming to WMUR," <i>The Union Leader (Manchester NH)</i> , May 30, 2001 at A2.
20	"News roundup," <i>San Antonio Express-News</i> , July 4, 2001 at 2B.
21	Dan Trigoboff, "Station Break," <i>Broadcasting & Cable</i> , Aug. 6, 2001 at 26.
22	Mark Washburn, "WBTV Replaces News Director to Boost Ratings," <i>The Charlotte Observer</i> , Aug. 14, 2001 at 1D.
23	Jeremy Murphy, "Local Media TV Stations," <i>Mediaweek</i> , Nov. 5, 2001; interview with station news staff, February 13, 2003.
24	Dan Trigoboff, "KDNL's St. Louis Blues; KDNL Television in St. Louis, Missouri, Axes News Department," <i>Broadcasting & Cable</i> , Oct. 8, 2001 at 22.
25	Chris Pursell, "Stations Scrambling to Slot New Strips," <i>Electronic Media</i> , Dec. 31, 2001 at 3.

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
2002 Biennial Regulatory Review -- Review)	MB Docket No. 02-277
of the Commission's Broadcast Ownership)	
Rules and Other Rules Adopted Pursuant to)	
Section 202 of the Telecommunications)	
Act of 1996)	
)	
Cross-Ownership of Broadcast Stations)	MM Docket No. 01-235
and Newspapers)	
)	
Rules and Policies Concerning Multiple)	MM Docket No. 01-317
Ownership of Radio Broadcast Stations)	
in Local Markets)	
)	
Definition of Radio Markets)	MM Docket No. 00-244

COMMENTS OF MEDIA GENERAL, INC.

(Volume 1: Comments and Appendices 1-8)

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January 2, 2003

Commission cannot defend it, and a reviewing court could not sustain it under established principles of First Amendment jurisprudence.

IV. The FCC's Own Recently Released Media Ownership Studies Also Compel Repeal of the Rule.

On October 1, 2002, the FCC released twelve studies examining various aspects of the current media marketplace.¹⁰¹ Of these twelve empirical studies, six include information tangentially of relevance to the FCC's review of the newspaper/broadcast cross-ownership rule. While the studies may provide useful information to the FCC and the public, not one of them specifically provides a basis to evaluate whether the newspaper/broadcast cross-ownership rule is necessary in the public interest as a result of competition. Overall, these six studies demonstrate that the FCC lacks any empirical basis on which it can rely to continue implementation of the newspaper/broadcast cross-ownership rule as being necessary in the public interest as a result of competition. Individually, as shown below, the six studies show that the media marketplace has changed radically since 1975 when the rule was adopted and that repeal of the rule will not have a damaging effect on the public interest. In the end, these studies support repeal of the rule.

I. Nielsen Consumer Survey.

Study No. 8 released by the FCC reports the results of telephone interviews with 3,136 respondents whom Nielsen Media Research queried by telephone in late August and early September 2002 regarding their use of media.¹⁰² The pool of consumers from which the respondents were drawn had recently completed television diaries in the February and May 2002

¹⁰⁰ *League of Women Voters*, 468 U.S. at 380.

¹⁰¹ FCC News, "FCC Releases Twelve Studies on Current Media Marketplace: Research Represents Critical First Steps in FCC's Fact Finding Mission," *supra* note 8.

¹⁰² Nielsen Media Research, "Consumer Survey on Media Usage," FCC Media Ownership Working Group, 2002-8, September 2002 ("Study No. 8").

"sweeps" measurement periods.¹⁰³ As a result, the group's composition may have been slightly biased in favor of video watchers versus print readers. In addition, the average and median ages of the respondents were in their mid-forties,¹⁰⁴ so the pool of respondents likely was skewed against Internet usage.¹⁰⁵ Nonetheless, the results of the Nielsen consumer survey are telling in three principal ways: they demonstrate significant and growing reliance on the Internet for news and public affairs information; they show that cable and satellite subscription services have made measurable inroads in the use of over-the-air broadcast television; and they document substantial use of weekly newspapers, showing growing erosion of the market occupied by daily newspapers.

Internet Growth. Although the Nielsen study shows Americans still utilize a variety of more traditional media outlets to obtain local and national news, it also demonstrates that consumers are making substantial use of the Internet in seeking information about current events and public affairs. When asked to name the list of sources they had used for *local* news and current affairs within the preceding seven days, 18.8 percent, or almost one-fifth, of the group responded that they had used the Internet without hearing any list of suggested sources.¹⁰⁶ When those who did not volunteer use of the Internet were presented with a follow-up question asking specifically if they had used it as a source of *local* news and public affairs in the preceding week,

¹⁰³ Study No. 8, "Description of Methodology," at 8.

¹⁰⁴ *Id.* at Table 095.

¹⁰⁵ U.S. Department of Commerce, Economics and Statistics Administration, National Telecommunications and Information Administration, *A Nation Online: How Americans Are Expanding Their Use of the Internet* at 14 (February 2002), available at <http://www.esa.doc.gov/508/esa/USEconomy.htm>. While this study shows that since December 1997, the age range of individuals more likely to be computer users has been rising, children and teenagers are still the most likely to be computer users.

¹⁰⁶ Study No. 8, Table 001.

another 18.5 percent, or again almost one-fifth of those questioned, answered affirmatively.¹⁰⁷

When the same questions were asked about *national* news, 21.3 percent, or even more respondents, volunteered that they had used the Internet.¹⁰⁸ Of those that had not volunteered their usage of the Internet to obtain *national* news, some 12.7 percent admitted such use when specifically queried.¹⁰⁹

When a slightly smaller group of respondents, those who admitted to obtaining any *local* news and current affairs in the last week, were then asked if they had used the Internet to gain access to local news and current affairs, 34.2 percent responded affirmatively.¹¹⁰ When a similar group was asked the same question but about *national* news and public affairs, a consistent 32.2 percent responded affirmatively.¹¹¹

In the overall pool of respondents, a large number admitted access to the Internet. Some 79.2 percent, or almost four-fifths, responded that they have access at home, work or both.¹¹² The study's results also presaged the likely emergence of the Internet as an even more dominant source of news. When respondents were asked to list which media they might utilize more or less in the future, the Internet, among all listed media, was the source that gained the highest percentage of "more often" responses -- 24.7 percent.¹¹³

Cable Television/Satellite-Delivered Video. The Nielsen study results also showed significant growth in the role of subscription video services, like cable and satellite, in the daily

¹⁰⁷ *Id.* at Table 002.

¹⁰⁸ *Id.* at Table 009.

¹⁰⁹ *Id.* at Table 010.

¹¹⁰ *Id.* at Table 097.

¹¹¹ *Id.* at Table 098.

¹¹² *Id.* at Table 077.

¹¹³ *Id.* at Tables 070 through 076.

lives of Americans. Of respondents who answered that television is one of their sources of *local* news and public affairs, 67 percent said that they watch such news on broadcast television channels, and 58 percent, or almost as many, said that they watch cable or satellite news channels.¹¹⁴ When the same question was asked about sources of *national* news and current affairs, an even larger number, or 65.5 percent, listed cable or satellite news channels compared to 62.8 percent for broadcast news channels.¹¹⁵

A slightly smaller group of respondents, those who had said they get local or national news from various sources, were asked to name the source that they used most often. While almost one-third, or 33.1 percent, cited broadcast television channels, a surprisingly large number, or 23.3 percent, listed cable or satellite news channels, a figure that exactly matched the percentage of respondents who cited daily newspapers as the single source they use more often.¹¹⁶

Respondents who named a particular medium as the one that they used most often as their source for local or national news were also asked how likely, on a scale of one to five, they would be to use another suggested source if their preferred source were no longer available. A rating of “5” represented “much more likely” and “1” meant “no more likely.” When the numbers for those who rated a specified substitute as either a “5” or a “4” were tallied, cable or satellite news channels beat out daily newspapers among all respondents except those who had

¹¹⁴ *Id.* at Table 008. As the notations in many of the tables state, percentages of responses may sum to more than 100 percent due to multiple responses.

¹¹⁵ *Id.* at Table 016. Again, multiple responses are responsible for causing the percentages to total more than 100 percent.

¹¹⁶ *Id.* at Table 020.

listed either weekly newspapers or magazines as their first preferred source.¹¹⁷ When all respondents were queried about what source they would be more likely to use for national or local news and current affairs in the future, cable and satellite channels came in second behind the Internet.¹¹⁸

Finally, among the respondents, many more households paid to receive subscription video services than subscription print services. Specifically, when all respondents were asked to list the subscription services, if any, that they received, 62 percent said cable, 20.5 percent said satellite, 49.8 percent said daily newspaper, and 24.0 percent said weekly newspaper.¹¹⁹ When the cable and satellite percentages are summed, they show that 83.4 percent of the respondents subscribed to a paid video source.¹²⁰

Weekly Newspapers. The results for the survey also show that weekly newspapers have a strong response rate vis-à-vis dailies in terms of readership. When the respondents who had not mentioned reading a weekly newspaper in the last seven days were specifically asked if they had done so, almost one-third, or 27.5 percent, responded affirmatively.¹²¹ When those respondents who had said they obtained their news from a newspaper were asked to specify whether it was a daily, weekly, or both, 10.2 percent said weekly only and 27.3 percent, or again almost one-third, said they subscribe to both.¹²²

¹¹⁷ For those who listed broadcast as their number one source, *compare* Study No. 8, Table 021 with Table 024; for those preferring the Internet, *compare* Table 034 with Table 036; for those preferring radio, *compare* Table 058 with Table 061.

¹¹⁸ *Id.* at Table 070 through Table 076.

¹¹⁹ *Id.* at Table 079.

¹²⁰ *Id.*

¹²¹ *Id.* at Table 081.

¹²² *Id.* at Table 007.

2. *Outlet/Owner Survey.*

Another study that the FCC staff prepared compares the availability and ownership of media in ten different markets at three different points in time -- 1960, 1980, and 2000.¹²³

Included among the media that were counted were television and radio broadcast stations, cable systems, direct broadcast satellite systems, and daily newspapers.¹²⁴

Echoing the factual evidence already presented in the *2001 Proceeding*, this study showed a dramatic increase in the availability of media outlets and the number of owners during the period from 1960 to 2000. The first table in the study, intended as an aggregate count of all media and owners in the ten markets, showed “percent[age] increases in [the number of] outlets ranged from 79% in Lancaster PA [sic] to a whopping 533% in Myrtle Beach SC [sic] with an average increase of almost 200% across all ten markets.”¹²⁵ With respect to counts of actual owners, the percentage increases were slightly less dramatic because of consolidation following passage of the Telecommunications Act of 1996 but still “ranged from 67% in Altoona PA to a huge 283% in Myrtle Beach SC resulting in a 140% average increase in the number of owners for all ten markets from 1960 to 2000.”¹²⁶ Even with consolidation, however, all but two markets experienced consistent growth in the number of owners. The New York market, with consolidation, did experience a net loss of two owners between 1980 and 2000, but the statistics

¹²³ Scott Roberts, *et al.*, “A Comparison of Media Outlets and Owners for Ten Selected Markets (1960, 1980, 2000),” September 2002, FCC Media Bureau Staff Research Paper, 2002-1 (“Study No. 1”). The study states that the views it expresses do not necessarily reflect those of the agency.

¹²⁴ *Id.* at “II. Methodology.” The study is not paginated, so citations are to various sections and tables.

¹²⁵ *Id.* at “III. Results – Table 1.”

¹²⁶ *Id.*

for 2000 still showed that the market had over 100 owners, 114 to be exact.¹²⁷ (Over the same period, the number of media outlets in New York grew from 154 to 184.) Similarly, while the number of outlets in Kansas City grew from 44 to 53 between 1980 and 2000, the number of outlets remained constant at 33. The eight other smaller markets in the study experienced increases in the number of their owners, which from 1980 to 2000 grew an average of about twenty-five percent.¹²⁸

In Table 2 of the study, the FCC staff provided more detail, showing the growth in outlets and owners by media type for each market in each of the three benchmark years. Such detail makes clear that the growth in broadcast, rather than the other outlets and owners accounted for virtually all of the dramatic increase in the overall aggregate media counts that had been presented in the first table.¹²⁹ What is most telling is that except for two markets, New York and Birmingham, the number of newspapers and their owners remained steady or declined.¹³⁰

Next, Table 3 breaks out totals for radio and television stations according to whether they are commercial or non-commercial facilities. With the exception of a decline by one in the number of television owners in Lancaster, Pennsylvania, the only numbers in the charts that decreased are those for the number of commercial radio station owners in 2000 compared to 1980, and even with the decreases, between 10 and 41 owners remained in all but one market.¹³¹

Finally, Table 4 of the study tracks the growth in cable system availability in the ten markets. As the FCC staff writes, “[t]his table exhibits the tremendous growth of cable in each

¹²⁷ *Id.* at Table 1.

¹²⁸ *Id.* at “III. Results – Table 1.”

¹²⁹ *Id.* at “III. Results – Table 2” and Table 2.

¹³⁰ *Id.*

¹³¹ *Id.* at Table 3.

of the ten markets, not only in the number of communities served, but also in channel capacity and subscriber count. Cable, virtually non-existent in 1960, has grown to be the dominant video delivery vehicle in the U.S.”¹³² Although the FCC staff also states that the table depicts a “declining number of cable system owners, reflecting consolidation,” the table itself reveals that only in New York, where the number of owners has gone from 26 in 1980 to 9 in 2000, and in Lancaster, Pennsylvania, where the number has declined from six to three over the same period, has there been any decrease.¹³³

This outlet/owner study shows that the overall trend in the number of outlets and owners in ten representative markets has been one of significant growth among all media except newspapers. Nothing in the study supports retention of the newspaper/broadcast cross-ownership rule, and nothing indicates repeal is unjustified.

3. *Pritchard Studies.*

Another Commission-published study that was authored by Professor David Pritchard of the University of Wisconsin-Milwaukee deals directly with the effect of newspaper/broadcast cross-ownership on diversity of viewpoint.¹³⁴ This review, which builds on an earlier study by Professor Pritchard published in December 2001,¹³⁵ examines the extent to which commonly-owned newspapers and television stations in a community speak with a single voice about important political matters. In his earlier study, Professor Pritchard had examined co-owned

¹³² *Id.* at “III. Results – Table 4.”

¹³³ *Compare id.* at “III. Results – Table 4” with Table 4.

¹³⁴ David Pritchard, “Viewpoint Diversity in Cross-Owned Newspapers and Television Stations: a Study of News Coverage of the 2000 Presidential Campaign,” FCC Media Ownership Working Group, 2002-2, September 2002 (“Study No. 2”). The study is not paginated. Citations assume that the first page following the “Executive Summary” is page 1.

media properties in three cities. In the latest report, he studies an additional seven co-owned properties in six cities and draws conclusions about all ten combinations.

Both studies examined the political “slant” of news content in co-owned media properties during the last 15 days of the Bush-Gore election. Professor Pritchard and his associates developed a numerical coding and grading system for quantifying this “slant.” They then examined newspaper editorials, cartoons, staff opinion pieces, syndicated columns, guest opinion essays, reader’s letters, and free-standing photographs as well as television news reports. From these, they computed an objective “slant co-efficient” that allowed them to conclude whether a media outlet was pro-Bush or pro-Gore.¹³⁶

As described below, each of Professor Pritchard’s studies establish that common ownership does not have an effect, no less an adverse effect, on diverse presentation of news and opinions. In his first study, which focused on media properties in Milwaukee, Chicago, and Dallas, Professor Pritchard found no evidence of owners’ influence on, or control of, news coverage by co-owned newspapers and broadcast stations. Rather, the empirical results led him to conclude that the cross-owned properties offered a “wealth” of diverse and antagonistic information.¹³⁷ He summarized his results and conclusions as follows:

In other words, the evidence does not support the fears of those who claim that common ownership of newspaper and broadcast stations in a community inevitably leads to a narrowing, whether intentional or unintentional, of the range of news and opinions in the community

¹³⁵ D. Pritchard, *A Tale of Three Cities: Diverse and Antagonistic Information in Situations of Newspaper/Broadcast Cross-Ownership*, 54 FED. COM. L.J. 31 (Dec. 2001) (“Pritchard 2001 Study”).

¹³⁶ *Id.* at 38-41; Study No. 2 at 5-7.

¹³⁷ Pritchard 2001 Study at 49.

This Article examined whether three existing newspaper/broadcast combinations in major markets provided information about the 2000 presidential campaign from “diverse and antagonistic sources.” The results show clearly that they did provide a wide range of diverse information. In other words, the Commission’s historical assumption that media ownership inevitably shapes the news to tout its own interests may no longer be true (if it ever was).¹³⁸

In short, Professor Pritchard concludes that “the prohibition on newspaper/broadcast cross-ownership has outlived its usefulness.”¹³⁹

In the latest report released by the FCC, Professor Pritchard studied additional co-owned properties in New York, Chicago, Fargo, Hartford, Los Angeles, Phoenix and Tampa.¹⁴⁰ Of these new combinations, Professor Pritchard concludes that at those in Phoenix, Fargo, and Tampa and the News Corporation’s co-owned properties in New York, the newspaper’s and the television station’s coverage exhibited slants that were “noticeably different” from each other.¹⁴¹ In the latest study, he also adds the combination he already studied in Milwaukee to this group with “noticeably different” slant.¹⁴² Of the other new combinations as well as the ones he already studied in Dallas and Chicago, he concludes that the “overall” slant of the newspaper’s coverage of the 2000 campaign was not significantly different from the overall slant of the local television station’s coverage.¹⁴³

¹³⁸ *Id.* at 49-51 (footnotes omitted).

¹³⁹ *Id.* at 51.

¹⁴⁰ In New York, he studied two newspaper-television combinations. In other markets, he studied just one combination. The combination which he studied in Tampa was Media General’s WFLA-TV and *The Tampa Tribune*.

¹⁴¹ Study No. 2 at 8.

¹⁴² *Id.*

¹⁴³ *Id.* Professor Pritchard determined what constituted a meaningful difference between commonly-owned properties “via two-tailed, independent – sample T-tests . . . [T]he tests suggested that there was an 83% chance that a difference of the type we found with the Fargo

Professor Pritchard also points out several facts demonstrating a lack of connection between the coverage provided by co-owned properties that are otherwise not obvious from his calculation of “slant” coefficients. First, the Tribune Company did not require its newspapers to coordinate their endorsements for president; of the four Tribune Company newspapers in the study, two (Chicago, Hartford) endorsed Bush, one (Long Island’s *Newsday*) endorsed Gore, and one (*Los Angeles Times*) made no endorsement.¹⁴⁴ In addition, of the seven television stations in cross-owned combinations in which the newspaper endorsed Bush, two (WTIC in Hartford and KPNX in Phoenix) provided coverage of the presidential campaign that had a clear pro-Gore slant.¹⁴⁵

While Professor Pritchard is more tempered in his conclusions in this latest study and also moves the combinations he previously studied in Dallas and Chicago out of the group exhibiting “noticeably different” slant, he nonetheless concludes,

for the ten markets studied, our analysis of the coverage of [the] last two weeks of the 2000 presidential campaign suggests that common ownership of a newspaper and a television station in a community does not result in a predictable pattern of news coverage and commentary on important political events between the commonly-owned outlets. This is not to say that the news organizations under study presented a vast range of viewpoints or that their news coverage was helpful in enabling citizens to make informed choices on Election Day. It is to say, however, that we found no generalized evidence of ownership manipulation of the news in the situations of local cross-ownership we studied.¹⁴⁶

combination was a meaningful difference. For Milwaukee and Tampa, the statistic was 89%. For Phoenix, the statistic was 96%. For the News Corporations [sic] New York combination, the statistic was 99%. None of the other combinations under study had percentages higher than 65%, which we judged not adequate to support a finding of a meaningful difference.” *Id.* at note 15.

¹⁴⁴ *Id.* at 9.

¹⁴⁵ *Id.*

¹⁴⁶ *Id.* at 10-11.

As Professor Pritchard more succinctly states in his executive summary, “the data suggest that common ownership of a newspaper and a television station in a community does not result in a predictable pattern of news coverage and commentary about important political events in the commonly owned outlets.”¹⁴⁷

Another empirical study by Professor Pritchard submitted last spring in the Commission’s local radio ownership proceeding (MM Docket Nos. 01-317 and 00-244) corroborates these results.¹⁴⁸ This analysis, which is attached for convenience as Appendix 5, surveyed the growth in local media outlets providing local content in five variously-sized markets at ten-year intervals from 1942 to 2002 as well as in 1995, just prior to adoption of the Telecommunications Act of 1996. In these five markets, which included Lisbon, North Dakota; Florence, South Carolina; Rockford, Illinois; Syracuse, New York; and New York, New York, Professor Pritchard found a consistent increase in the availability of diverse local sources of news and information that was not undercut by any trend in consolidation of ownership:

The data presented in this study make it clear that the number of media outlets focusing on news and information about local events has increased steadily over the years. That the rate of increase has accelerated since the Telecommunications Act of 1996 was passed suggests that the economic consolidation that ensued did not diminish diversity of local media content. The patterns in all five of the communities we studied were similar.¹⁴⁹

¹⁴⁷ *Id.* at “Executive Summary.”

¹⁴⁸ David Pritchard, “The Expansion of Diversity: A Longitudinal Study of Local Media Outlets in Five American Communities,” March 2002, attached as Appendix A to Viacom Inc.’s Comments in MM Docket Nos. 01-317 and 00-244, filed March 27, 2002. This radio ownership proceeding has now been combined in the instant docket and the record incorporated by reference herein. 2002 NPRM at ¶11 n.31.

¹⁴⁹ Appendix 5 at 22. While Media General currently owns newspaper and television properties in the Florence-Myrtle Beach DMA, these acquisitions were made only at the very tail end of the time period under review in Professor Pritchard’s radio study.

As Professor Pritchard concludes, “[t]he study presented here further challenges the wisdom of focusing on issues of ownership to attempt to maximize access to diverse media outlets.”¹⁵⁰

Thus, all three Pritchard studies support repeal of the newspaper/broadcast cross-ownership rule. While Media General has never seen a connection between ownership and viewpoint and, therefore, questions why studies regarding content are even necessary, Professor Pritchard’s reviews put to rest once and for all that, no matter what the market size, common ownership does not result in common approaches to the presentation of news and public affairs and does not harm the presentation of diverse viewpoints and diverse local content.

4. *Measurement of TV News and Public Affairs.*

Another study authored by members of the FCC staff sought to measure the news and public affairs broadcast by television stations for purposes of comparing the performance of stations owned by one of the four largest broadcast networks relative to that of their affiliates.¹⁵¹ This study also provides empirical information demonstrating that repeal of the newspaper/broadcast cross-ownership rule would be unlikely to harm the delivery of news and public affairs. In fact, it suggests repeal would have beneficial effects.

The study attempted to measure the quantity and quality of news and public affairs programming. For an assessment of quantity, the study tallied the hours of programming aired during the November 2000 sweeps period.¹⁵² For quality, it used three measures: (1) ratings for

¹⁵⁰ *Id.*

¹⁵¹ Thomas C. Spavins, *et al.*, “The Measurement of Local Television News and Public Affairs,” undated (“Spavins Study”). The study states that the views it expresses do not necessarily reflect those of the agency. The study is not paginated. Citations assume that the first page following the “Executive Summary” is page 1.

¹⁵² *Id.* at 1.

local evening news programs; (2) awards from the Radio and Television News Directors Association; and (3) an award called the Silver Baton issued at the A.I. Dupont Awards.¹⁵³

Among network affiliates, the study found a “systematic divergence” in performance between stations that were co-owned with a newspaper and all other affiliates.¹⁵⁴ “For each quality and quantity measure in the analysis, the newspaper affiliates exceed the performance of other, non-newspaper network affiliates.”¹⁵⁵

This study confirms what Media General already knows: through convergence, television stations can deliver a better, faster, and deeper news product. As the long list of awards given to Media General’s co-owned properties that is listed in Appendix 4 shows, convergence will benefit the public interest.

5. *Advertising Substitutability.*

The results of a study by another FCC staff member on the substitutability of local newspaper and television advertising additionally support repeal of the newspaper/broadcast cross-ownership rule.¹⁵⁶ This paper examines the issue of whether there is a single local advertising market or several distinct local markets for newspaper, radio, and television advertising by estimating the ordinary own-price and cross-price elasticities of substitution for newspaper, radio, and television advertising.¹⁵⁷ While the author cautions that there are

¹⁵³ *Id.*

¹⁵⁴ *Id.* at 4.

¹⁵⁵ *Id.*

¹⁵⁶ C. Anthony Bush, “On the Substitutability of Local Newspaper, Radio and Television Advertising in Local Business Sales,” September 2002, FCC Media Bureau Staff Research Paper, 2002-10 (“Study No. 10”). The study explicitly states that the views it expresses are not those of the agency. While the study also discussed radio advertising, because Media General’s focus is on newspaper and television, it does not address that aspect of the report.

¹⁵⁷ *Id.* at 4.